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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/553,068	04/20/2000	Christopher Phillips	112076-138336	5825

25943 7590 01/04/2008  
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EXAMINER
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PATEL, JAGDISH

ART UNIT	PAPER NUMBER
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3693

MAIL DATE	DELIVERY MODE
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01/04/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

## Office Action Summary

**Application No.**

09/553,068

**Applicant(s)**

PHILLIPS ET AL.

**Examiner**

JAGDISH PATEL

**Art Unit**

3693

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 16 November 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-4, 7-10, 13-15, 18-20, 22-25, 43-45, 48, 50-52 and 61-69 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-4, 7-10, 13-15, 18-20, 22-25, 43-45, 48, 50-52 and 61-69 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### **DETAILED ACTION**

1. This communication is in response to amendment filed 11/16/07.

#### ***Continued Examination Under 37 CFR 1.114***

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 11/16/07 has been entered.

#### ***Response to Amendment***

3. Claims 1-4, 7-10, 13-15, 18-20, 22-25, 43-45, 48, 50-52 and 61-69 are pending as per amendment filed 11/16/07.

#### ***Response to Arguments***

4. Applicant's arguments with respect to newly amended claims have been considered but are moot in view of the new ground(s) of rejections.

*Claim Rejections - 35 USC § 101*

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-4, 7-10, 13-15, 18-20, 22-25, 43-45, 48, 50-52 and 61-69 are rejected under 35 U.S.C. 101

because the claimed invention is directed to non-statutory subject matter.

The following analysis of claim 1 is also applicable to other claims because they do not resolve the defects identified with respect to claim 1.

Claim 1 recites in the preamble that the method is “computer device implemented”. However, the process fails to support this statement.

The step of “operating with one or more computing devices a billing service independent of one or more billing data issuing sources” has no relationship to the following step “obtaining by the billing service a first and second billing data from said one or more billing data issuing sources” because the billing data are obtained from the billing data issuing sources regardless of how the billing service is operated.

Therefore, the process of obtaining the billing data from the billing data issuing sources by the billing service is treated as communication of the billing data from one party (billing data issuing sources) to the other (billing service).

Likewise, the step “providing by the billing service the first billing data to a user” (to conduct transactions with a first web site,) and “said billing service receiving notification of usage of the first billing data” (facilitating verification by said billing service of validity of the usage of the first billing data) is treated as communication of respective data from the billing service to the user and from the (user or a merchant who operates the webs site) to the billing service.

Claim recites the notification as “facilitating verification ..of validity of the usage of the first billing data” as intended use of the notification. The examiner notes that actual verification will require that the billing service maintain details pertaining to the billing data provided (such as identification of the website or merchant and that of the user receiving the billing data) in order to facilitate verification. Since no such supporting functionality is provided in the claim it proper to treat the facilitating as intended use of the notification.

Therefore, it is concluded the claimed invention merely recites communication of billing data from the billing data issuing sources to the billing service and thereon to a user and usage of the billing data to the billing service without any implementation of an apparatus. The examiner notes that the recitation of operating a billing service with a computing device is not relevant to the process and being claimed (and therefore patentability), since the computing device has no *specific* functionality that plays any role and since the entire method can be carried out with the billing service operated in any specific manner.

Under the Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility a claimed invention must satisfy the requirement that it be directed to a "practical application" which is to mean "the claimed invention physically transforms an article or physical object to a different state or thing, or ... the claimed invention otherwise produces a useful, concrete, and tangible result". However, the latter is predicated on the process being implemented in an apparatus (in case of claim such apparatus being a computer etc.).

In a recent ruling by the U.S. Court of Appeals for the Federal Circuit a process reciting subject matter without being implemented on an apparatus has been held to be non-statutory process under 35 USC 101.

Citing the ruling supra In re Stephen W. Comiskey:

"The Supreme Court has reviewed process patents reciting algorithms or abstract concepts in claims directed to industrial processes. In that context, the Supreme Court has held that a claim reciting an algorithm or abstract idea can state statutory subject matter only if, as employed in the process, it is embodied in, operates on, transforms, or otherwise involves another class of statutory subject matter, i.e., a machine, manufacture, or composition of matter. 35 U.S.C. § 101. As the PTO notes, "[t]he Supreme Court has recognized only two instances in which such a method may qualify as a section 101 process: when the process 'either [1] was tied to a particular apparatus or [2] operated to change materials to a 'different state or thing.'"

Applying, the aforementioned test to the instant claim, it is evident that it fails on both counts. As explained in details above, the claim does is not tied to any apparatus not of course it is not operated to change material to a “different state or a thing”.

Even if the claimed invention is amended to have some form of computer implementation, it must also be limited to a useful, concrete, and tangible Result.

Mere communication of data between computing devices does not limit the invention to a useful, concrete, and tangible Result. First the billing data communicated data must be presented to a web site by the user and based upon it's usage at the website, the usage data must be generated at the website and subsequently communicated to the billing service where the usage data is verified.

The presently claimed invention fails to meet the “useful, concrete and tangible result” because merely communicating billing data and usage data is clearly not the same results found in *State Street Bank & Trust Co. V. Signature Financial group, Inc.*, 149 F 3d 1371; 47 USPQ 2d 1599 decided by the U.S. Courts of Appeals. “Today we hold the transformation of data representing discrete dollar amounts by a machine through a series of mathematical calculations into a final share price constitutes a practical application of a mathematical algorithm, formula or calculation because it produces a useful, concrete and tangible result, a final share price momentarily fixed for recording and reporting purposes”. In the State Street case the “concrete, tangible, and useful results” is allocating money to different funds.

Since claim 1 is not machine implemented in carrying out the transformation of the billing data into notification of usage of the billing data using a machine, State Street is not applicable.

Therefore, it is concluded that the claim recites an abstract idea of communicating billing data and notification of the billing data among the various entities identified in the claim.

***Claim Rejections - 35 USC § 112***

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 1-4, 7-10, 13-15, 18-20, 22-25, 43-45, 48, 50-52 and 61-69 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The following analysis of claim 1 is also applicable to all other independent claims and hence to all dependent claims.

With respect to claim 1,

- a. “operating ..a billing service” is indefinite because it encompasses each and every aspect of operating a business entity without any specific feature. The claim fails to show any relationship of the outcome of operating to the remaining process of the claim. The examiner interprets that the billing is only provided to clarify the relationship that it is independent of the billing data issuing sources.
- b. The claim fails to specify any process which can accomplish the verification of the validity of the usage of the billing data. There is no act of the user conducting a transaction (or attempting to conduct a transaction) at the website, and no process that support verification of the validity. Is the billing data being restricted to it’s usage at a first (or second web site)? What part of the usage data is relevant to the verification of its validity? The billing service does not have any way of facilitating the validity of the billing data because all it does is that it passes on the billing data to the user and then receives the notification of the usage.
- c. The claimed process therefore is unclear and vague. The applicant should amend the claim, so that the question and deficiencies raised by the examiner has been resolved within the scope of the disclosure.

d. is there any communication link between the users receiving the billing data from the billing service. Claim 1 recites, broadly the providing step is without specific mode of communication among all entities involved including the web site. This is also true for communication of the billing data from the issuing sources to the billing service. Having communication links clearly defined will better define the claimed invention. (see also claim 3 which requires "real time" communication of the billing data.

With respect to claims 7 and 8,

a. The process step of "...web site requiring a payment ..according to a first payment format" is unclear because it is related to any process of claim 1 which fails to recite a step to the effect that the user transacting with the first web site (using the respective billing data).

b. Like wise, claim 8 recites "payment format" and "billing format" which cannot be correlated to any process recited in claim 1.

The applicant is requested to review all dependent claims in the spirit of the analysis provided for claims 7 and 8 and amend the claims appropriate such that the process recited the dependent claims is correlated to that of the respective independent claim on which it depends.

### *Conclusion*

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAGDISH PATEL whose telephone number is (571) 272-6748.

The examiner can normally be reached on 800AM-630PM Mon-Tue and Thu.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, **KRAMER JAMES A** can be reached on **(571)272-6783**. The fax phone number for the organization where this application or proceeding is assigned is 517-273-8300.



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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jagdish N. Patel

(Primary Examiner, AU 3693)

12/31/07